



LOAN AGREEMENT

This is an internal governmental loan between:

General Fund

hereinafter referred as the Lender

And

Sewer Fund

Hereinafter referred as the Borrower

LOAN AMOUNT. The Lender promises to loan the equivalent of **\$1,432,000.00**, to the Borrower and the Borrower promises to repay to this principal amount to the Lender, at such address as may be provided in writing.

PAYMENT. This agreement, (the "Note"), shall be due and payable, including the principal and any accrued interest in the sum of **\$135,409.34**.

Once per fiscal year beginning on January 31, 2025, and to continue every 365 days until the balance is paid on January 31, 2036.

All payments made by the Borrower are to be applied last (31st) to any accrued interest and then to the principal balance. The total amount of the loan shall be due and payable on the 31 day of each month

INTEREST. The Note shall

Bear interest at a rate of 2 percent (2 %) compounded annually. The rate must be equal to or less than the usury rate in the State of the Borrower.

PREPAYMENT. The Borrower has the right to pay back the loan in-full or make additional payments at any time without penalty starting January 31, 2028 on or after the interlocal agreement for the City of Thomasville is paid in full.

REMEDIES. No delay or omission on part of the holder of this Note in exercising any right hereunder shall operate as a waiver of any such right or of any other right of such holder, nor shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion. The rights and remedies of the Lender shall be cumulative and may be pursued singly, successively, or together, in the sole discretion of the Lender.

EVENTS OF ACCELERATION. The occurrence of any of the following shall constitute an "Event of Acceleration" by the Lender under this Note:

(a) Borrower's failure to pay any part of the principal or interest as and when due under this Note; or

(b) Borrower's becoming insolvent or not paying its debts as they become due.

ACCELERATION. Upon the occurrence of an Event of Acceleration under this Note, and in addition to any other rights and remedies that Lender's may have, Lender shall have the right, at its sole and exclusive option, to declare this Note immediately due and payable.



SUBORDINATION. The Borrower's obligations under this Promissory Note are subordinated to all indebtedness, if any, of the Borrower, to any unrelated third-party lender to the extent such indebtedness is outstanding on the date of this Note and such subordination is required under the loan documents providing for such indebtedness.

WAIVERS BY BORROWER. All parties to this Note including the Borrower and any sureties, endorsers, and guarantors hereby waive protest, presentment, notice of dishonour, and notice of acceleration of maturity and agree to continue to remain bound for the payment of principal, interest and all other sums due under this Note notwithstanding any change or changes by way of release, surrender, exchange, modification or substitution of any security for this Note or by way of any extension or extensions of time for the payment of principal and interest; and all such parties waive all and every kind of notice of such change or changes and agree that the same may be made without notice or consent of any of them.

GOVERNING LAW. This Note shall be governed by, and construed in accordance with, the laws of the State of North Carolina

SUCCESSORS. All of the foregoing is the promise of Borrower and shall bind Borrower and Borrower's successors, heirs and assigns; provided, however, that Lender may not assign any of its rights or delegate any of its obligations hereunder without the prior written consent of the holder of this Note

IN WITNESS WHEREOF, Borrower has executed this Internal Governmental Promissory Note as of the day and year first above written.

Stevie Cox, City Manager

Richard McNabb, Mayor

Darren Comer, City Clerk

(Attest)

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act

Crystal Postell, Finance Director